



Terms of Reference

Finance Consultative Committee

Mission and Values

As partners in Catholic education and open to God's presence, we pursue fullness of life for all.

We journey towards this vision through: proclaiming and witnessing to the Good News of Jesus Christ; ensuring quality learning that promotes excellence and fosters the authentic human development of all; living justly in the world, in relationship with each other and in harmony with God's creation; exploring, deepening and expressing our Catholic identity in diverse ways and enabling each one of us to reflect more fully the image of God; in each of the Diocese of Ballarat Catholic Education Limited (DOBCEL) school communities. At the heart of this vision is our commitment to the ongoing duty of care that we have for the safety, wellbeing, and inclusion of all children and young people.

Context

All members of DOBCEL Consultative Committees and Working Parties are called to make a specific contribution to our Catholic education mission, in support of these Terms of Reference.

The DOBCEL Board, in exercising its function of governance, is duty-bound to implement universal standards of good governance through a Gospel lens.¹ To that end it has established Consultative Committees which will assist the Board in developing policy for DOBCEL schools and in identifying procedures for the implementation, monitoring and improvement of those policies.

The DOBCEL Board reviews and finalises policy for ratification by the Bishop.

These committees provide opportunities for members of the diocesan education community, and others with relevant expertise, to participate in the mission of DOBCEL, to assist its governance and decision making and to inform faithful stewardship of the mission.² Active participation in them will enable many gifts of the Holy Spirit to be utilised in the service of God and in the mission of the Church. Dialogue with families, made seeking fullness of life for all, will enrich the spirit of communion and cooperation in pursuing the goals of Catholic education.

The Executive Director and Catholic Education Ballarat (CEB) assist the Board in the implementation of DOBCEL policies and ensures that procedures are established, implemented, and monitored.

The Executive Director and CEB support the Board Consultative Committees in fulfilling DOBCEL's corporate governance and oversight responsibilities, school financial reporting, compliance oversight, internal control structure, risk management systems, audit functions and its reporting obligations through the Catholic Education Commission of Victoria Ltd (CECV).

¹ See Implementation Advisory Group and the Governance Review Project Team, *The Light from the Southern Cross: Promoting Co-responsible governance in the Catholic Church in Australia*, A Report and Recommendations on the Governance and Management of Dioceses and Parishes in the Catholic Church in Australia, 2020, §5.1.1 p.38.

<https://www.catholicreligious.org.au/light-from-the-southern-cross>. Accessed 02/09/2020.

² *ibid.*, §6.1, p.56.

The CECV is an approved school system and funding authority for Victorian Catholic schools established with the support of the Bishop of the Diocese of Ballarat. In accordance with the requirements of the Memorandum of Understanding between the Victorian Registration and Qualifications Authority (VRQA) and the CECV, the CECV is authorised as a Review Body under section 4.3.2(c) of the Education Training and Reform Act 2006 (ETR Act) to review and report on the compliance of Catholic schools with the minimum standards for registration. DOBCEL has responsibility for provision of reporting to the CECV on the compliance of Catholic schools governed by DOBCEL in the Diocese of Ballarat.

Authority

The Board authorises the Finance Consultative Committee (through the Chair of the Committee for non-Board members) to:

- Make any recommendations to the Board, including seeking the engagement of any professional advisers that the Committee may require to assist in their duties
- Seek any information it requires from DOBCEL employees (and /or its agents) or from external parties
- Investigate any matter brought to the Committee's attention or requested by the Board

Purpose

The Finance Consultative Committee assists the DOBCEL Board to carry out its responsibilities by:

- Reviewing DOBCEL schools and CEB annual budgets and monitoring the financial position and performance against the budget, and highlighting any concerns with the Board
- Maintaining oversight and setting the corporate standard for quality financial reporting, sound financial business practices and ethical behaviour
- Reviewing DOBCEL's periodic financial statements prior to submission to the Board for approval
- Assisting the Executive Director in fulfilling DOBCEL's school financial reporting requirements
- Periodically reviewing the format and presentation of financial information to the Board and make any recommendations for improvements to the Board
- Periodically reviewing any Board policies relevant to the role and responsibilities of the Committee, including financial delegations and make any recommendations for improvements to the Board
- Monitoring the performance of the appointed external auditors

It is the responsibility of the Committee to maintain free and open communication between the Board, other Consultative Committees, CEB and external auditors. The Chair of the Committee will have capacity to make direct contact with the Board and the Executive Director for matters considered appropriate or which have significant financial risk.

Responsibilities

- Oversee DOBCEL's financial reporting process and monitor the integrity of the annual financial statements of DOBCEL schools and CEB, including the reviewing of significant financial reporting judgments such as accruals, provisions or estimates and the impact of any changes in accounting practices and policies
- Review any accompanying reports to the annual financial statements from the external auditors with CEB, to monitor effective implementation of agreed remediation and improvement activities
- Review and discuss with CEB and the external auditors the adequacy and effectiveness of DOBCEL's accounting and financial control system
- Review a copy of the annual budget(s) and presentation from CEB outlining the business plan supporting the budget and provide appropriate feedback to CEB and the Board
- Review and discuss at each meeting CEB financial report on financial position and performance against the approved budget
- Regularly review the financial performance and position of DOBCEL schools against approved budgets including schools under a financial management improvement plan
- Monitor procedures involved in the distribution of Government Recurrent Grants (GRG) in Primary Schools and distribution of Targeted Areas funding in Primary and Secondary schools to ensure transparency and effective use of these funds
- Oversee the development, review and implementation of financial policies

External Auditors

- In consultation with the Assurance and Risk Consultative Committee, make recommendations to the DOBCEL Board on the appointment, retention or replacement, and remuneration of external auditors. The Committee shall pre-approve all audit and non-audit services provided by the external auditors and shall not engage the external auditors to perform any non-audit/assurance services that may impair or appear to impair the external auditor's judgment or independence in respect to DOBCEL's operations
- Review and assess the independence of the external auditors
- Discuss and agree with the external auditors the annual proposed audit plan and fee, including the overall scope of the external audit, any identified risk areas and additional procedures
- Review reports of external auditors and CEB's responses and monitor effective implementation of agreed remediation and improvement activities
- The Committee may seek confidential meetings with the external auditor periodically or as needed, without CEB present

Chair of Finance Consultative Committee

The DOBCEL Board Chair proposes the Committee Chair for approval by the Board. The Committee Chair cannot be the DOBCEL Chair.

The Chair will have specific expertise in finance. The Chair will be responsible for calling meetings, setting the agenda and ensuring that minutes are recorded, approved and distributed to the Committee members and the Board.

Membership

The DOBCEL Board Chair proposes members for the Finance Consultative Committee for approval by the Board.

The Finance Consultative Committee will consist of:

- At least one DOBCEL Board Director
- Diocesan Business Manager
- External members with expertise in finance
- Executive Officer – Assistant Director: Business Services

With the following being in attendance:

- CEB - Executive Director
- Executive Officer: CEB - Assistant Director, Business Services (CFO)
- CEB – Deputy Director, Stewardship

Membership of the Committee is for an initial period of three (3) years. Members may seek re-appointment for up to a further three (3) year term. DOBCEL reserves the right to offer a one-year re-appointment where necessary for membership continuity and to restructure the Committee membership when appropriate.

Members of the Committee must abide by the DOBCEL Code of Conduct for Directors which includes Safeguarding Children and Young People.

Current employees of DOBCEL cannot be a voting member of the Committee.

Meetings

Frequency

The Finance Consultative Committee must meet a minimum of four (4) times a year, with one (1) additional joint meeting to be held with the Risk and Audit Committee to discuss and agree on the matters referred to under External Auditors in these Terms of Reference.

Further meetings may be held as the Committee considers necessary and consequently directed by the Committee Chair.

Attendance

All Finance Consultative Committee members are expected to attend each meeting in person, or through other approved means, such as teleconference or video conference.

Members of the Committee should value and respect differing views, mindful of the diversity of communities and individuals across the Diocese.

Quorum

A quorum shall comprise not less than 50% membership and must include either the Committee Chair, or their respective delegate.

Voting

Any matters requiring decision, will generally be decided by consensus, or if consensus is not achievable, then by a majority of votes cast from members present. In the event of a tied vote, the Chair has a right to a second vote as a casting vote.

Invitees

The Finance Consultative Committee may invite other people to attend as it sees fit and consult with other people, or seek any information it considers necessary, to fulfil its responsibilities. Non-members who attend meetings by invitation of the Committee may take part in the business of, and discussions at, the meeting but have no voting rights.

Agenda

CEB, in collaboration with the Committee Chair, will distribute a detailed agenda with supporting papers to all Committee members at least five (5) business days before each meeting to facilitate members' preparation for the meeting.

Minutes

Secretariat/administrative duties will be provided by the Minute Secretary (or another appropriate designated person) from CEB. The Minute Secretary will prepare the minutes of the Committee meeting within two weeks of the meeting. After the Committee Chair has proofread and given preliminary approval, the draft minutes will be circulated to all Committee members. The Minutes must be ratified and signed by the Chair at the next Committee meeting.

Conflicts of Interest

Committee members will be invited to disclose to the Committee Chair conflicts of interest at the commencement of each meeting in accordance with DOBCEL's Conflict of Interest Policies and Procedures. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged.

Reporting to the Board

The Committee Chair is to provide a written report to the Board following each Committee meeting. The report will include distribution of a copy of the agenda, minutes and any other necessary information such as submissions, draft policies and proposals requiring Board action and/or approval. The Committee Chair may present the report to the Board with the assistance of CEB where necessary such as upon request from the Board Chair.

The Committee, through the Committee Chair, will prepare an annual report to the Board and Committee members on all matters considered by the Committee in that 12-month period. The report will be presented to the Board within three months of the end of each calendar year.

Review

The Committee will review their performance against these Terms of Reference on an annual basis. The review may be conducted as a self-assessment and will be co-ordinated by the Committee Chair. The assessment may seek input from any person. Training needs will be monitored by the Committee Chair. The Committee Chair will report the review findings to the Board.

The Committee will review these Terms of Reference on an annual basis to ensure that they remain consistent with the Board's objectives and responsibilities. The Committee Chair will report the review findings to the Board, including any proposed amendments for Board approval.